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News Release

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VA Launches Development of New Online Claims System *Advances Transformation Toward a Paperless VA*

WASHINGTON – Secretary of Veterans Affairs Eric K. Shinseki announced today plans to develop a fully automated, online system for handling Veterans' disability compensation claims. More than a simple digitization of existing paper-based claims, the new system is part of VA's modernization of the end-to-end processing workflow. Automation will substantially reduce processing time and increase accuracy while simplifying the way that Veterans interact with the claims process.

"This new program accelerates our effort to eliminate the claims backlog through automation and modernization of our systems," said Secretary Shinseki. "It's another step in transforming VA into a 21st Century department that better serves our Veterans."

"Vietnam Veterans of America (VVA) has been advocating for substantial process change in adjudicating Veterans' claims for many years," said Rick Weidman, Executive Director for Policy and Government Affairs of VVA. "We're very pleased to see that this Administration is taking on the problem of claims processing head on. This automated program will make a big difference in the lives of hundreds of thousands of Veterans."

Veterans exposed to herbicides while serving in the Republic of Vietnam who today have B-cell leukemia (hairy-cell leukemia), Parkinson's disease, or ischemic heart disease are slated to be the first users of the automated system. The final regulation implementing the presumption of service connection for these three diseases is poised to become effective later this year. While the first use of the new system will be limited to this pending subset of disabilities, usage will expand over time to include claims for other conditions.

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Online Claims System 2/2/2/2

The new system will guide Veterans through automated, program-assisted menus to capture the information and medical evidence that will drive faster claims decisions. In the initial configuration, VA estimates the new system may assist as many as 100,000 Veterans.

As part of the implementation of the new claims system, VA has awarded a \$9.1 million development contract to Bethesda, Md.,-based IBM. The IBM team will work closely with VA developers and will implement the online application system by November, permitting Veterans easier and faster access to VA and more accurate and quick claims processing for the initial set of qualifying conditions.

The new system, funded by the VA Innovation Initiative, represents one of several efforts VA has underway to transform the department into a 21st Century organization. As a first step in integrating new technologies into claims processing, it represents a significant step towards meeting VA's goal to "break the back of the claims backlog" and provide all Veterans with high quality decisions on their claims in no more than 125 days.

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